

## **MINUTES**

### **MONTANA HOUSE OF REPRESENTATIVES 57th LEGISLATURE - REGULAR SESSION JOINT APPROPRIATIONS SUBCOMMITTEE ON LONG RANGE PLANNING**

**Call to Order:** By **CHAIRMAN MATT MCCANN**, on February 9, 2001 at 8:10 A.M., in Room 350 Capitol.

#### **ROLL CALL**

**Members Present:**

Rep. Matt McCann, Chairman (D)  
Rep. Dave Kasten (R)  
Sen. Jon Tester (D)  
Rep. Steve Vick (R)

**Members Excused:** Sen. Tom A. Beck (R)  
Sen. Bob Keenan, Vice Chairman (R)

**Members Absent:** None.

**Staff Present:** Jane Hamman, OBPP  
Andrea Hyatt, Committee Secretary  
Brian McCullough, Legislative Branch  
Christi Tyson, OBPP

**Please Note:** These are summary minutes. Testimony and discussion are paraphrased and condensed.

**Committee Business Summary:**

Hearing(s) & Date(s) Posted: HB 5, 2/6/2001; HB 12,  
2/6/2001; HB 14, 2/6/2001  
Executive Action: HB 12

**The reference book for these projects are found in:  
Governor's Budget, State of Montana, Fiscal Years 2002-  
2003, Long Range Building Program, Volume 2.**

**CHAIRMAN MCCANN** opened the hearing on **HB 12**.

**Proponents' Testimony:**

**Tom Livers**, Department of Environmental Quality, presented the committee with an amendment on HB 12, requested by **REP. DICK**

**HAINES HD 63. EXHIBIT(jlh33a01)** Mr. Livers explained the various sections of the amendment and their purpose.

**Questions from Committee Members and Responses:**

**REP. KASTEN** questioned the high amount of \$20 million for bonding. **Mr. Livers** responded that these bonds are not specifically backed by the coal tax; they are general obligation bonds.

**Proponents' Testimony continued:**

**Mr. Livers** continued his explanation of his request.

**Questions from Committee Members and Responses:**

**SEN. TESTER** questioned if they would consider \$10 million for 4 years. **Mr. Livers** responded that since they can't determine how high the energy costs will go in the future, he felt that \$10 million is a reasonable amount. **SEN. TESTER** questioned if there is a potential they could use that kind of money in one biennium. **Mr. Livers** responded they should be able to meet the requests, but with the energy crisis scenario, the prices can adversely effect the \$3 million. **Jane Hamman** questioned if the campus has any generating capabilities and do they have a rough estimate of that. **Bob Lashaway, Montana State University (MSU)**, responded they are looking at some alternatives and provided further background information. **REP. KASTEN** commented on the geothermal alternative. **REP. VICK** questioned the type of projects are available to be done with these funds and are there limits. **Mr. Livers** responded it was designed for anything in energy that is cost effective. **REP. VICK** questioned the effects if the energy costs are high for only a couple years, then come back down. **Mr. Livers** stated they project on flat cost and it is hard to project costs in a volatile market. **REP. VICK** questioned if these amendments would allow the legislature to see the list of projects but that they would not necessarily have to approve the lists. **Mr. Livers** responded yes.

***{Tape : 1; Side : A; Approx. Time Counter : 269-314}***

**Mr. Livers** discussed an overview of the process for the program and how they choose projects.

***{Tape : 1; Side : A; Approx. Time Counter : 315-362}***

**CHAIRMAN MCCANN** commented in regards to the third amendment, that it is critical to the next legislatures that they understand what

they (the department) are doing. His concern is that it would be moved to the executive budget; the process for reviewing the executive budget, according to **CHAIRMAN MCCANN**, does not receive the close scrutiny that it warrants. He believes this bill needs to come before this committee. He also believes that this request is premature to address the energy crisis that has not yet happened in Montana. Their request is in anticipation that it will happen. He would consider \$1 million or so, but he will vote against the \$20 million suggested in the amendment.

**{Tape : 1; Side : A; Approx. Time Counter : 316 - 393}**

**SEN. TESTER** stated he is somewhere in between; he does not want to go to \$20 million, nor go up to six years. He'd rather see 4 years at \$10 million. The energy crisis is not just electricity; it is natural gas, gasoline, diesel fuel and all the above. With the criteria they laid out with the payback, he believes they are conservative. His concern is that with the future turnover of legislators that they know what is going on.

**{Tape : 1; Side : A; Approx. Time Counter : 393-408}**

**REP. VICK** commented that in the past, \$2 million was the most spent in a biennium and they have \$3 million in the bill; it seems to him that would be enough. He agrees with **CHAIRMAN MCCANN** that this process needs to be brought back to the committee.

**{Tape : 1; Side : A; Approx. Time Counter : 409}**

**REP. KASTEN** agreed also.

**{Tape : 1; Side : A; Approx. Time Counter : 410}**

**CHAIRMAN MCCANN** informed **REP. HAINES** they appreciated his good intentions and the committee will go forward with the bill without it being amended.

**{Tape : 1; Side : A; Approx. Time Counter : 420-426}**

**CHAIRMAN MCCANN** entertained a motion to approve HB 12. **REP. VICK** so moved.

**Motion/Vote:** **REP. VICK** moved **TO APPROVE HB 12 WITHOUT AMENDMENTS BE ADOPTED**. Motion carried unanimously.

**CHAIRMAN MCCANN** closed the hearing on HB 12.

**{Tape : 1; Side : A; Approx. Time Counter : 444-518}**

**CHAIRMAN MCCANN** opened the hearing on **Montana State Univeristy**.

**Dick Crofts, Commissioner of Higher Education**, explained the process of choosing projects. He stated that of the list of 20, 17 address deferred maintenance. He commented that he is often asked why they request funding for new buildings when there is such a backlog of deferred maintenance. Those buildings need to be replaced because it is impossible to address those needs through deferred maintenance projects and that is why they do find it necessary, and they believe wise, to include well justified new building projects on their list.

*{Tape : 1; Side : B; Approx. Time Counter : 0-39}*

**DICK CROFTS CONTINUED HIS PRESENTATION**

*{Tape : 1; Side : B; Approx. Time Counter : 40-70}*

**Geoff Gamble, President at Montana State University**, discussed three of their campuses: Bozeman, Billings and Havre. Their requests are from the major categories of deferred maintenance, code, life safety compliance, adaptive, modifications and construction. The majority of their projects address the deferred maintenance. They will also present two projects they consider extremely important: 1) MSU Bozeman Animal Range Science Facility and 2) MSU Northern Applied Technology Center.

*{Tape : 1; Side : B; Approx. Time Counter : 71-128}*

**Bob Lashaway, Director of Facilities Services, Bozeman**, thanked the committee for visiting the Bozeman campus. He first reviewed their previous authorities to give them an idea of where they are and where they have been. He provided an 11 page Status Report consisting of pages: C-18 thru C-20; B-10 thru B-11; C-24; B-12; C-25; B-13; C-26; B-14. **EXHIBIT (j1h33a02)** He discussed each project and explained the current status.

*{Tape : 1; Side : B; Approx. Time Counter : 129}*

**SEN. TESTER** questioned the source of auxiliary funds. **Mr. Lashaway** responded they are non-state appropriated funds that are generated from their auxiliary enterprises; i.e., student union complex, residence halls, etc. The non-state business side of their campus. They are generated from rents and revenues of those facilities. **SEN. TESTER** questioned if it was fees also. **Mr. Lashaway** responded the auxiliary piece here generally is rents and revenues. Discussion followed. The committee

questioned various funds and their sources. **Mr. Lashaway** responded.

**{Tape : 1; Side : B; Approx. Time Counter : 197}**

**Tom O'Connell** informed the committee on how some funds have restrictions on which funds are spent first, some go hand-in-hand and other special handling.

**{Tape : 1; Side : B; Approx. Time Counter : 219-517}**

**Mr. Lashaway** continued his review of past projects.

**{Tape : 2; Side : A; Approx. Time Counter : 0-43}**

**Mr. Lashaway** continued his review of past projects.

**{Tape : 2; Side : A; Approx. Time Counter : 44}**

**Bob Lashaway** discussed an overview of the past projects and authorities over the past 20 years. A 7 page handout was given to the committee entitled "University Projects Authorized by the Legislature-Appropriated to DOA Only, For Fiscal Years 1982 thru 2001. **EXHIBIT(jlh33a03)** Discussion followed; the committee asked questions and **Mr. Lashaway** responded.

**{Tape : 2; Side : A; Approx. Time Counter : 299}**

**Bob Lashaway** provided a quick reference sheet indicating the various projects and which ones include operations and maintenance. **EXHIBIT(jlh33a04)**

**{Tape : 2; Side : A; Approx. Time Counter : 321}**

**Proponents' Testimony:**

**Bob Lashaway** reviewed their project **ROOF REPLACEMENT OR REPAIR - UNIVERSITY SYSTEM, PAGE 27.**

**Opponents' Testimony:** None.

**Questions from Committee Members and Responses:** None.

**{Tape : 2; Side : A; Approx. Time Counter : 358-519}**

**Proponents' Testimony:**

**Bob Lashaway** reviewed their project **MASTER PLAN CAMPUSES, PAGE 42.**

**Opponents' Testimony:** None.

**Questions from Committee Members and Responses:**

**REP. KASTEN** questioned how they approach the planning and if it is in-house or an outside consultant; and could they consider the use of A&E as in-kind funds. **Mr. Lashaway** responded that some information will have to come from an outside consultant and that the full amount is for the outside consultant. **CHAIRMAN MCCANN** questioned the other revenue being used. **Mr. Lashaway** responded that it comes from a broad range of funds that includes the education funds, federal grants, private donations, plant funds, auxiliary; anything that is non-appropriated. **Brian McCullough** questioned if the study would include determining that some existing classrooms have available space for use. **Mr. Lashaway** responded yes.

*{Tape : 2; Side : B; Approx. Time Counter : 0-42}*

**MR. LASHAWAY CONTINUED HIS RESPONSE.**

**CHAIRMAN MCCANN** questioned where they would find the consultant to do this study and will it make a difference. **Mr. Lashaway** responded that there are several consultants who specialize in space organization and occupancy. They hope that the consultant will be able to identify existing space that can be used rather than build.

*{Tape : 2; Side : B; Approx. Time Counter : 43}*

**Proponents' Testimony:**

**Bob Lashaway** commented the next project is the **ANIMAL RANGE SCIENCE FACILITY, PAGE 59** and he introduced **Dr. Gamble** who provided some background information on the project and its importance. He introduced **Sharon Quisenberry, College of Agriculture and Director of Agriculture Experiment Station.**

*{Tape : 2; Side : B; Approx. Time Counter : 60}*

**Sharon Quisenberry**, reviewed the need for the project and their plans for the future needs. The facility would be diverse in many areas from food safety and bio-base products (plants producing fuel, lubricants, pharmaceuticals, nutraceuticals) and adding value to current commodities as well as bringing new

commodities in to the State. It will benefit Montanans through this diversity. They have \$3 million from a land settlement from the MSU Foundation that can be used for the planning process; Senators and Representative are committed to pursue Federal dollars and they believe they can raise funds through private donations. She provided a one page handout entitled "Animal Bio Sciences Facility (Animal and Range Science Facility) that discussed the justification and funding sources.

**EXHIBIT(jlh33a05)**

*{Tape : 2; Side : B; Approx. Time Counter : 134}*

**Mark Peterson, Havre area producer**, spoke in favor of funding for the project. He believes this is the direction that should be taken for the future, it is necessary, it is time and he fully backs the project.

**Opponents' Testimony:** None.

**Questions from Committee Members and Responses:**

**REP. KASTEN** questioned the \$3 million and its source and would it offset the \$5 million. **Ms. Quisenberry** responded that the original ag setting was part of the town farm and as a result of the development of that park the MSU foundation agreed to provide \$3 million toward an agricultural building on campus and it would offset the \$5 million. She also informed the committee there are other ways of raising funds and there is a piece of land, that has no connections attached, that they believe they could sell to raise additional funds. **CHAIRMAN MCCANN** questioned the other funding sources aside from the \$3 million. **Ms. Quisenberry** stated they could cover the entire \$5 million. **Jane Hamman** requested more information on the land sale. **Ms. Quisenberry** responded they have a farm that they lease to a producer and that the proceeds go directly to agriculture; there are no ties for them to retain the property. **CHAIRMAN MCCANN** questioned if they have sold the property and the worth of the property. **Ms. Quisenberry** responded they have not sold the property and they have not yet had a formal assessment, but they estimate \$3-4 million. **CHAIRMAN MCCANN** questioned if they received enough money that would be over the \$5 million project, how would the additional funds be spent. **Ms. Quisenberry** responded that the project's total cost is over \$5 million and deferred to **Bob Lashaway** to respond.

*{Tape : 2; Side : B; Approx. Time Counter : 199}*

**Mr. Lashaway** explained they are looking for \$5 million in authority; if the land sale provides funds in excess of what is required for the project, then the College of Ag would have an opportunity to spend those dollars on other needs. Discussion followed. **CHAIRMAN MCCANN** commented that he would like a figure of the cost of the project and suggested that they attach some of the land sale to this project and the remainder to the Experiment Stations. **Ms. Quisenberry** stated they have to review the deeds to see if it limits them to spending on certain projects. **Bob Lashaway** provided further background information on limitations in spending funds and how the added language could limit them to receiving funds from federal sources. **CHAIRMAN MCCANN** stated they could accommodate language to address that; his suggestion is that there is other pending needs and there is a limit to some of the authority. **REP. KASTEN** questioned if they would be including a dairy project within their new facility. **Ms. Quisenberry** responded that they would be taking that in to consideration as time goes on. **REP. VICK** questioned the O&M in comparison with other buildings like a chemistry lab. **Ms. Quisenberry** deferred to **Bob Lashaway**.

*{Tape : 2; Side : B; Approx. Time Counter : 351}*

**Mr. Lashaway** responded by referencing pages 56-59; that it would be approximately \$200,000.00 per year, similar to the Ag Science facility. **REP. VICK** questioned if the two projects were the same size. **Mr. Lashaway** responded. **Brian McCullough** questioned if they are estimating expenses so that it does not create deferred maintenance problems in the future. **Mr. Lashaway** responded that they would be addressing maintenance, both preventive and annual maintenance, which should avoid deferred maintenance. **Jane Hamman** questioned, going back to the Ag Park agreement for \$3 million, if it was restricted to the Bozeman Campus. **Ms. Quisenberry** responded yes.

*{Tape : 2; Side : B; Approx. Time Counter : 420}*

**CHAIRMAN MCCANN** commented that he would like to see some dialogue on **Ms. Quisenberry's** thoughts on his suggestion regarding their authority; concern on the Experiment Stations and HB 291.

*{Tape : 2; Side : B; Approx. Time Counter : 458-519}*

**Proponents' Testimony:**

**Bob Lashaway** reviewed the 3 page handout entitled "MSU-Bozeman, Gaines Hall Renovation/Addition". **EXHIBIT (j1h33a06)**



*{Tape : 3; Side : A; Approx. Time Counter : 0}*

**Mr. Lashaway continued his review of the project.**

He also provided a single sheet handout entitled "MSU-Bozeman, Gaines Hall Renovation/Addition Project Proposal".

**EXHIBIT (j1h33a07)** He stated that in their proposal they requested to include: Authority- Only (appropriated to Department of Administration, A&E Division) to spend \$2 million in non-state funds to design a \$23.4 million Gaines Hall Renovation/Addition Project. He continued to discuss the project as listed on the handout. **Brian McCullough** questioned the reversal of the \$3.5 million that would not be utilized from the figures shown in

**EXHIBIT 6. Mr. Lashaway** responded that would not show up in this project. **REP. VICK** questioned that this project was moved down the list because of the concerns with the Epicenter. **Jane Hamman** responded that is true, there was a major concern in the Governor's Office about the Epicenter and the Gaines project on the same footprint and how can both be done in one biennium; therefore, they moved Gaines below the list. Now, with the withdrawal of the Epicenter, it is time to come back to this major need as it has been presented. **REP. VICK** questioned the meaning of MSU Funds/non-State funds. **Mr. Lashaway** responded that they anticipate that MSU would bond for these funds using in direct cost from research projects, grants, federal funds as the retirement for that debt service and that would produce ... those funds would have to be made available, as they were in the tunnel project, and other combined funded projects, prior to starting the construction or design we would fund with the first 18 month commitment from that source. **CHAIRMAN MCCANN** clarified that

they are using research dollars for their design. **Mr. Lashaway** responded yes and if he was referring to the student fee piece. **CHAIRMAN MCCANN** stated his concern about increasing student fees and what is within auxiliary dollars and the impact on students. **Mr. Lashaway** responded that this project, as presented, has no commitment from the students. **REP. KASTEN** questioned if the design is generally around ten percent. **Mr. Lashaway** responded that due to the complexity with labs, it might be closer to 17-18% on this type of project. **REP. KASTEN** questioned the split. **Mr. Lashaway** responded. **SEN. TESTER** questioned how they determined the percentages of the split. **Mr. Lashaway** referenced **EXHIBIT 6** and that the percentages are a percentage of the total \$23.4 million. **SEN. TESTER** questioned how much of Gaines is lab space. **Mr. Lashaway** responded that it is predominantly lab space with faculty offices and classrooms. **SEN. TESTER** questioned if he could be specific in the number of classrooms and labs. **Mr. Lashaway** did not have those figures with him. **CHAIRMAN MCCANN**

suggested that he might want to provide that information to **SEN. TESTER**.

*{Tape : 3; Side : A; Approx. Time Counter : 232}*

**REP. VICK** requested that he explain the staging area and how it would work and why it is necessary. **Mr. Lashaway** described in detail the process. **SEN. TESTER** questioned if there was an asbestos problem. **Mr. Lashaway** responded there was some minor pipe insulation. **CHAIRMAN MCCANN** reviewed that they are requesting two different motions: 1) to approve \$23.4 million and 2) within that, they request \$2 million to further ... **Mr. Lashaway** responded it would be a single motion that would authorize MSU to spend \$2 million in non-state funds to design a \$23 million project to meet the needs in Gaines Hall. It is a design only authority. **SEN. TESTER** stated, to further clarify, so that when they come back in 2003, that \$23.4 million may be lower or higher depending on what they discover during the design. **Mr. Lashaway** responded that the \$23.4 million is not the exact number, however, it should not vary a great deal because they do have an in-depth detailed study from a consultant at the \$17 million level and the other piece is new construction.

*{Tape : 3; Side : A; Approx. Time Counter : 361-520}*

**SEN. TESTER** requested to refer back to the Animal Science Building and the \$400,000.00 O&M coming out of the General Funds and how can that be justified. **Ms. Quisenberry** responded that this building is not only a University building but an economic development for the State. She provided some examples: 1) \$15 million additional to producers pockets through better management of beef; 2) \$25.00-\$35.00 additional per head of beef animals equal to approximately \$36-53 million; 3) improve meat processing - beef and the carcass use now is 25%, by using cuts differently it can gain from \$1.00 to \$5.00 a pound value; 4) raw commodity development: with a cost of \$3.80 for a bushel of wheat; you make 360 bagels selling at fifty cents each, equals \$180.00 a bushel. This will be the results of developing this institute of bio-based products and product development. The economic return to the State through alternative crops that are higher cash value for the producer, value added products to our traditional and new products, and product development in this State that has not been done before. **SEN. TESTER** questioned the backgrounding in increasing genetics in beef animals, etc.; is any of that work being done now. **Ms. Quisenberry** responded no. **SEN. TESTER** questioned about meat processing and grain processing, how can the university keep this technology in the State and how can it keep it within Montana. **Ms. Quisenberry** responded they will

provide the scientific and educational base that will develop a philosophy from field to plate. That includes marketing strategy, how people form alliances, cooperatives and how to start the process of producing some of these products. There are groups within the State that are beginning this process and the University can provide a conduit, as well as a networking system, to make this happen and more closely associate themselves with the state government, Department of Commerce and Department of Agriculture to make this happen. It is a whole new concept of looking at things differently than ever before. She provided a handout of a presentation she made. **EXHIBIT(jlh33a08)** She stated their main purpose is: Montana first and Montana agriculture.

***{Tape : 3; Side : B; Approx. Time Counter : 0}***

**Brian McCullough** questioned the timing and when the research would begin. **Ms. Quisenberry** responded her hopes are to put the facility to use by 2005; she believes they can easily put the funding package together in this biennium.

***{Tape : 3; Side : B; Approx. Time Counter : 44}***

**Proponents' Testimony:**

**Robert Lashaway** reviewed their first project under HB 14, **LIBERAL ARTS CODE/LIFE SAFETY/DEFERRED MAINTENANCE, PAGE 193**. This is the largest building on campus.

**O. Eakel Barfield, facilities director, MSU, Billings**, provided a video tape of testimony from students who use the building. Those giving testimony were: **1) Paula Lindstrom, Student Body President, MSU, Billings; 2) Nick Lewison, student, uses a wheelchair; 3) Katherine Presley, student, vision impaired and uses a seeing-eye dog.** They each expressed their concerns and needs for the building.

**Opponents' Testimony:** None.

**Questions from Committee Members and Responses:**

**REP. VICK** questioned the process of rescuing someone in a wheel chair from an 8 story building without the use of the elevator. **Mr. Lashaway** defined the area of refuge and the process. **Jane Hamman** questioned if they were going to widen hallways for the visually impaired. **Mr. Lashaway** stated they would not be widening the hallways but they would install braille signs and audible alarms. **SEN. TESTER** questioned if they attempt to accommodate the impaired students to the main or lower floors.

**Mr. Lashaway** responded they do not need to upgrade all floors to meet the American Disabilities Act (ADA) standards. **CHAIRMAN MCCANN** questioned why this building was not ranked high enough before to address the fire concerns. **Mr. Lashaway** responded. **CHAIRMAN MCCANN** requested that he provide the committee what it would cost to install a fire sprinkler installation in this building. **Mr. Lashaway** responded that for both fire sprinkler and alarms, the cost is approximately \$310,000.00; but it might not include the cost of tearing out the ceiling, asbestos issues and design, this could drive it up to \$600,000.00 to \$1 million.

*{Tape : 3; Side : B; Approx. Time Counter : 344}*

**Proponents' Testimony:**

**Robert Lashaway**, reviewed their project **MSU-BOZEMAN, LINFIELD/MONTANA HALLS, DEFERRED MAINTENANCE, PAGE 100.**

**Opponents' Testimony:** None.

**Questions from Committee Members and Responses:** None.

*{Tape : 3; Side : B; Approx. Time Counter : 365}*

**Proponents' Testimony:**

**Robert Lashaway**, reviewed their project **UPGRADE HVAC SYSTEMS, COWEN HALL, PAGE 223.** The 1999 Legislature approved \$500,000.00 to replace the windows in Cowen Hall. Part of that project included an engineering analysis of the condition of failing building mechanical systems. This request is based on that analysis.

**Opponents' Testimony:** None.

**Questions from Committee Members and Responses:**

**CHAIRMAN MCCANN** questioned if they already replaced the electrical wiring system in this building. **Mr. Lashaway** responded it was not this building but the primary electrical distribution on the campus.

*{Tape : 3; Side : B; Approx. Time Counter : 443}*

**Proponents Testimony:**

**Mr. Lashaway**, reviewed their project **CONSTRUCT APPLIED TECHNOLOGY CENTER, PAGE 231.** The 1999 Legislature appropriated \$50,000.00

for planning funds for an Applied Technology Center at MSU-Northern. He turned the review over to **Chancellor Capedeville**.

*{Tape : 3; Side : B; Approx. Time Counter : 466-520}*

**Alex Capedeville, Chancellor, Montana State University-Northern**, presented a video created by the students and included testimony from representatives from BNSF-General Electric (GE).

*{Tape : 4; Side : A; Approx. Time Counter : 0-143}*

**The video presentation continued.**

The video included a discussion on how the funding would be spent for deferred maintenance, that the new building would be a joint venture between the State and the private sector and the various levels and what each level would house.

**Mr. Capedeville** discussed the project further; plans for the project and possible additional funding through General Electric and Caterpillar. He stated that many of their four year graduates in diesel and automotive are sought after by Toyota, General Motors, General Electric and Caterpillar, amongst other companies.

*{Tape : 4; Side : A; Approx. Time Counter : 144}*

**Steve Turkiewicz, Executive Vice President, Montana Auto Dealers Association**, spoke in favor of funding and the importance of skilled technicians to work on the new vehicles that have computer power.

**Opponents' Testimony:** None.

*{Tape : 4; Side : A; Approx. Time Counter : 166}*

**Questions from Committee Members and Responses:**

**SEN. TESTER** questioned the number of graduates from the diesel and automotive classes and the wages they will make. **Mr. Capedeville** responded approximately 20+ and they have 50 freshman this year. The graduates will be in a wage range from \$35,000.00 to \$45,000.00; in some cases higher. **SEN. TESTER** and **CHAIRMAN MCCANN** and **Chancellor Capedeville** discussed the funding amount. **SEN. TESTER** questioned the timing for construction if they received the funds. **Chancellor Capedeville** and **Bob Lashaway** responded they would begin construction in the summer of 2003 and it would take from 18 to 22 months to complete. **REP. VICK**

questioned what other uses the building would provide.

**Chancellor Capedeville** responded it would have some high tech classrooms and the possibility of GE and Caterpillar being direct online with their people; including lap top computers. **REP. VICK** questioned if there would be some general classrooms included; the overall enrollment number and the trend of enrollment.

**Chancellor Capedeville** responded that some of the business programs would be included and how it relates to the technical area; but not general education. They have approximately 1,417 students enrolled and it has increased in the technical area; the overall trend has leveled with a slight increase. **CHAIRMAN**

**MCCANN** questioned if they have identified any buildings to demolish. **Chancellor Capedeville** responded it is between 14,000-15,000 square feet. Discussion followed. **CHAIRMAN MCCANN**

requested that the committee be provided the real cost including the removal of the 15,000 square feet so they can offset it against the new proposal. **CHAIRMAN MCCANN** clarified that the State authority would be contingent upon MSU-Northern raising \$2 million and that language would be included in the bill. **Jane Hamman** clarified that the bill would need to be amended.

Discussion followed on funding, costs, design, no student dollars, etc.; questions were asked by committee members and responded to by **Chancellor Capedeville** and **Bob Lashaway**.

*{Tape : 4; Side : A; Approx. Time Counter : 445}*

**Bob Lashaway** discussed, as a follow-up to previous questions from the committee, the impact of some projects at the MSU-Bozeman Campus. The **LINFIELD HALL** roof, windows and brick is a \$1.1 million out of their current request of \$1.7 million in deferred maintenance and a \$5 million new construction authority. He provided further information on funding and deferred maintenance.

**CHAIRMAN MCCANN** closed the hearing on **Montana State University**.

**CHAIRMAN MCCANN** opened the hearing on **DIGITAL TV**.

*{Tape : 4; Side : B; Approx. Time Counter : 0}*

**Proponents' Testimony:**

**Jack Hyyppa**, Manager of KUSM-TV, Bozeman, Montana PBS, stated that **William Marcus** and **Arthur Coffin** were also in the audience. He stated that since the last meeting with the committee they had a productive meeting with the Governor's Office and have reviewed the grant request to the federal government for the DTV conversion. The original numbers were six months old and they updated their figures to reflect current statistics. Also, with

the help of the Governor's Office and their suggestion, this request has been removed from HB 15 and moved to HB 14. He provided a two page handout entitled "Two Phase DTV Conversion Plan For Montana PBS, February 6, 2001". **EXHIBIT(jlh33a09)** He discussed the second page breakdown summary and explained the funding.

***{Tape : 4; Side : B; Approx. Time Counter : 60}***

**Arthur Coffin, retired educator and volunteer on the Board of Directors of the Friends of Montana PBS, also represents, the Advisory Council of the Montana Friends of PBS.** He provided bumper stickers to each of the committee members regarding the PBS international news program. (I Watch ITN's Daljit Dhaliwal PBS) He discussed the importance of PBS and the high educational content it provides. He discussed the importance of the matching State funding.

***{Tape : 4; Side : B; Approx. Time Counter : 130}***

**REP. TOM FACEY, HD 67,** spoke in favor of funding and the importance of PBS and the quality of programs it makes available to Montanans.

***{Tape : 4; Side : B; Approx. Time Counter : 145}***

**William Marcus, Station Manager, KUFM, Missoula,** explained the update of their figures and they now have a better idea of the split they can expect from the NTIA funding. They are requesting a 67/33 split but, if, by good chance, they are rewarded the 75/25 they would reduce the request to the State.

**Opponents' Testimony:** None.

**Questions from Committee Members and Responses:**

**REP. KASTEN** questioned how the split works. **Mr. Marcus** responded it is decided by the federal granting agency. **SEN. TESTER** questioned their need for \$1.9 million to go with the application that is due next week. **Mr. Hyypa** responded they will send out their grant application next week with vague language that there is a proposal in front of the legislature for the \$1.9 million and they will amend their grant once the decision is made by the legislature. **Jane Hamman** provided information that she will bring forth an amendment to include the federal funds in HB 5 and specific language to address the funding. **CHAIRMAN MCCANN** questioned the reduction from \$2.5 and the source of the reduction. **Mr. Marcus** responded they are using the hardship

request to lower the amount. **Jane Hamman** added that the bond would not have to be issued until the second year of the biennium and there would be further savings from general funds. **CHAIRMAN MCCANN** questioned what is exactly being bought, the license only or more. **Jane Hamman** responded that she met with **Greg Petesch** and that in the final it would add: including broadcast, transmission lines, transmitters and related equipment. She explained further. **Jack Hyypa** explained that the mandate requires them to make their conversion by 2003 or lose their license; it is the equipment they are really buying, but the end result is the preservation of the license. **CHAIRMAN MCCANN** questioned if they are spending one dime more than what they absolutely have to spend in order for them to make that conversion; because it would be very hard to justify to the people of Montana that things are being bought that they do not need in order to be converted. **Mr. Hyypa** responded they have scaled it down to the last nickel. **Brian McCullough** questioned that the next phase will be in 2006 to expand the accessibility to other communities within the State. **Mr. Marcus** explained that the initial phase I also includes extension of the present signal in to Great Falls, Billings, Kalispell. Phase II, after 2006, is the conversion of those new transmitters to digital; originally they would be the analog broadcast.

*{Tape : 4; Side : B; Approx. Time Counter : 275}*

**Mr. Gamble** thanked the committee for their time and interest in their project.

*{Tape : 4; Side : B; Approx. Time Counter : 279}*

**CHAIRMAN MCCANN** informed the committee and audience that the Executive Action will be delayed until late next week and that they would be notified of the date.

**Mr. Gamble** responded they will be back for the meeting whatever the date.

**CHAIRMAN MCCANN** closed the meeting on **DIGITAL TV**.



**ADJOURNMENT**

Adjournment: 12:45 P.M.

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REP. MATT MCCANN, Chairman

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ANDREA HYATT, Secretary

MM/AH

**EXHIBIT** (j1h33aad)